

UNITED STATES BANKRUPTCY COURT

DISTRICT OF MINNESOTA

In re:

BKY No.: 19-50188
Chapter 7 Case

Cary Lee Deason,

Debtor.

J. Richard Stermer, Trustee,

ADV No.: 20-05027

Plaintiff,

v.

2 C Properties, LLC, Stacy Deason, Chanda

Egge, and BMO Harris Bank N.A.,

Defendants.

ANSWER AND CROSS-CLAIM OF 2C PROPERTIES, LLC

Comes now 2C Properties, LLC, through Chanda Egge, its manager, which makes the following answer to plaintiff's complaint:

1. Except as hereinafter admitted or modified, denies each and every allegation thereof.
2. Admits the allegations of paragraphs 1, 2, 3, 4, 5, 7, 8, 12, 13, 15, 17, 18, 20, 49, 50, and 57.
3. Admits that 2C Properties LLC is a Minnesota limited liability company formed on or about August 1, 2016, and that Chanda Egge is the registered agent of the company.
4. Admits that the deed was recorded as stated in paragraph 9.

5. Alleges that upon information and belief Chanda Egge is entitled to greater than fifty percent equity interest in the limited liability company.
6. Alleges that upon information and belief, in addition to the equity interest, Chanda Egge is entitled to a greater percentage of distribution of the property of the limited liability company than fifty percent.
7. States that the statement in paragraph 14 of the complaint is a gratuitous attempt to throw shade.
8. States that the debtor received a reasonably equivalent value in exchange for the contribution of the real property in question to 2C Properties, LLC. By way of explanation, all that happened was that the debtor exchanged a fee interest in the subject real estate for a membership interest in the limited liability company. The trustee has as much, or more, access to the value of the property in the limited liability company as when it stood in the name of the debtor.
9. Plaintiff has failed to join a party whose interest is, or may be, affected by this litigation, specifically Pine Country Bank.

CROSSCLAIM OF 2C PROPERTIES, LLC

Comes now 2C Properties, LLC, through Chanda Egge, its manager, which makes the following crossclaim against BMO Harris Bank N.A.:

10. BMO Harris Bank N.A. is a bank doing business in the State of Minnesota and holds a judgment against the Debtor as described below.
11. 2C is a Minnesota limited liability company formed on August 1, 2016. 2C's

registered agent is the Debtor and Egge is registered with the State of Minnesota as 2C's manager. Debtor and Egge are members in 2C.

12. 2C is the owner of real property located at 432 State Highway 23, Pierz, MN 56364 and adjacent real property, as described on Exhibit A of the complaint (the "**Property**") and additional land.

13. On or about December 1, 2013, Edward and Melva Deason transferred the Property to Debtor and Egge.

14. Debtor and Egge transferred their interests in the Property to 2C (the "**Transfer**"). On or about April 30, 2018 a deed was recorded by the Crow Wing County Recorder as document number A-902850. Deason executed the quit claim deed as spouse of the Debtor.

15. On or about May 23, 2018, BMO Harris Bank N.A. recovered a judgment in the federal District Court for the District of Minnesota in the principal amount of \$140,721.83 in court file 17-cv-4789 JNE/LIB.

16. Such court is not a court of record in Crow Wing County, Minnesota.

17. On June 15, 2018 a certified copy of that judgment was recorded with the Crow Wing County Recorder in real estate documents as document number 904654.

18. 2C Properties LLC seeks the judgment of this court that the transfer by the debtor to 2C Properties LLC was not a fraudulent conveyance under the Bankruptcy Code nor a voidable transfer under state law and that BMO Harris Bank N.A. has no interest in, nor lien upon, the Property nor the other land owned by 2C Properties, LLC.

WHEREFORE, defendant 2C Properties, LLC prays:

As to the trustee's cause of action: that plaintiff take nothing by his pretended cause of action, other than the grant of relief requested in paragraphs 49 and 50 of the complaint, and that it have such other and further relief as to the court may seem just;

As to BMO Harris Bank N.A.: That BMO Harris Bank N.A. has no interest in, nor lien upon, the real property owned by 2C Properties, LLC, and specifically that it cannot set aside the transfer of the land from Cary Deason to 2C Properties, LLC, and that any claim that BMO Harris Bank N.A. has against debtor or 2C Properties LLC is subsumed in the claims of the plaintiff against the debtor, and that it have such other and further relief as to the court may seem just.

/s / Sam V. Calvert

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